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REGULATION

PLANS, PROGRAMS, AND PROJECTS
13 June 1956

PAYMENTS FOR PERSONAL SERVICES
BY PROPRIETARY PROJECTS

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1. PURPOSE

The purpose of this regulation is to:

- a. Prescribe Agency policy with respect to compensation to be paid for personal services rendered to proprietary projects, exclusive of those provided by staff agents and other individuals under contract with the Agency, in each instance when the total compensation to be paid is known or estimated to be at a rate in excess of the maximum annual salary of grade GS-15, unless the total amount involved is less than \$1,000;
- b. Outline requirements for obtaining prior approval with respect to payments of such compensation; and
- c. Provide reporting requirements in connection therewith.

Compensation for personal services rendered by staff agents, consultants, and other individuals serving the Agency under contractual arrangements is provided for in proposed Regulation

* Reference will be deleted if proposed has not been published at the time of authentication of this issuance.

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2. DEFINITIONS

The following definitions shall apply in this regulation:

- a. "Cover company" is the facility established under a proprietary project.
- b. "Basic compensation" means any combination of salary or other equivalent of fixed or minimum bonuses, commissions, and participation in profits.
- c. "Personal services" include any and all services performed, for compensation, by a firm or an individual, whether or not such individual has an employee relationship with the facility paying the compensation.

3. POLICY

Compensation shall reflect a reasonable relationship to the services to be performed and the responsibilities to be discharged and shall be comparable to the compensation which is generally paid under similar circumstances by bona fide facilities of the same type.

4. APPROVAL REQUIREMENTS

- a. Contracts providing for basic compensation at a rate which, if projected on an annual basis, would exceed the maximum annual rate for grade GS-15 shall not be executed by the Director of Personnel, his Deputy, or the Special Contracting Officer until the Deputy Director concerned and the Director or Deputy Director of Central Intelligence have approved such compensation.

*Submit by S-E- [redacted]
Confidential to DCI
through [redacted]*

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- b. Similar approval shall be required for any increases in previously approved compensation for personal services in amounts exceeding the limitations prescribed by this regulation.
- c. When any bonuses, commissions, and participation in profits embodied in contracts are not fixed in dollar value and when, without such bonuses, commissions, and participation the payments do not exceed the maximum GS-15 salary scale, the provisions for DCI or DDCI approval shall not apply. *However, if (should unexpectedly)* In lieu thereof, when total payments exceed the maximum annual rate for grade GS-15, an annual report shall be made by the Deputy Director concerned to the Director of Central Intelligence.
- d. Excluded from the requirements of this regulation are payments for compensation of less than \$1,000; compensation for overtime, holiday, night differential, [redacted]
- e. The Director of Personnel shall forward all requests for compensation in excess of the maximum annual salary of grade GS-15 to the Director or Deputy Director of Central Intelligence with his recommendation.

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5. REPORTING

The appropriate operating division, after consultation with the Comptroller and the Commercial Staff, shall notify the cover company under the project that specific periodic financial reports shall be accompanied by a supporting schedule showing the aggregate compensation paid to each individual or firm at a rate in excess of the limitations set forth herein, listing:

- a. Name of recipient;
- b. Title, duties or description of assignment or services rendered;
and
- c. Detailed composition of aggregate compensation (salary, other emoluments, fees, bonuses, commissions, retainers, allowances, grants, etc.) showing amount of each and period covered. As required by the administrative plan, the date of approval of the Director or Deputy Director of Central Intelligence of payments listed on such schedule shall be affixed by the operating division prior to transmittal of reports.

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